

WARNING-UNAPPROVED MINUTES

These minutes have not been reviewed or accepted by the RISLA Board of Directors. This draft is being supplied in order to be in compliance with the State Open Meetings Law. Board approved minutes will be submitted when available.

The 289th meeting of the Rhode Island Student Loan Authority was held on **Thursday, November 10, 2011** in the McKenna Conference Room, 560 Jefferson Boulevard, Warwick, Rhode Island.

Members in attendance:

Dr. Anthony Santoro
Dr. William Croasdale
Mr. John Howell
Mr. Josh Brumberger, Designee of the General Treasurer

Members absent:

Hon. Robert J. McKenna
Ms. Patricia Doyle

Others in attendance:

Mr. Charles Kelley
Mr. Noel Simpson
Mr. Joseph Palumbo
Ms. Jennifer Dutch
Mr. Kevan McAleer
Ms. Lisa Labelle
Mrs. Jane Creta
Ms. Gail Walker
Mr. Chad Pastorius
Mr. Robert Biersdorf – Nelnet
Ms. Christy Phillips - Nelnet
Mr. Justin Metakides
Ms. Laurie Brayton
Mr. Marc Lacroix
Ms. Gail Mance-Rios

The meeting was called to order by Dr. Santoro at 9:03 a.m.

Upon a motion made by Dr. Croasdale and seconded by Mr. Howell it was unanimously

VOTED: to approve the minutes from the September 1, 2011 and September 22, 2011 meetings of the board of directors.

Dr. Santoro introduced two representatives from Nelnet, Bob Biersdorf and Christy Phillips. They each spoke briefly. Mr. Biersdorf presented RISLA with a check from Nelnet in the amount of \$45,000, which is the first installment of Nelnet's commitment to contribute a total of \$225,000 to the Paul Sherlock Scholarship Program.

Chairman's Report/Action Item #10: Engagement of Outside Legal Counsel

Dr. Santoro reported that he has met with Stephen Hourihan, Richard Licht and Rep. Helio Melo to discuss the future of RISLA and RIHEAA. In a report to the General Assembly, Mr. Licht has recommended that most of the functions of RIHEAA be moved to the Office of Higher Education and that RISLA remain intact. Dr. Santoro noted that RIHEAA would be able to sustain itself until 2014 and then would have to start spending down its reserves in order to do so.

Dr. Santoro also reported on the recent hearing before the Senate Oversight Committee which he and representatives of RISLA and RIHEAA attended. He indicated that Committee member Senator O'Neil suggested that a business plan be formulated.

Dr. Santoro suggested that there are two paths to follow. One would be to permit the Licht proposal play out. The second would be to take a more proactive approach if RISLA is desirous of assuming responsibility for any of the RIHEAA programs.

Mr. Brumberger asked if RISLA would be the agency to engage outside counsel. Dr. Santoro answered in the affirmative. Dr. Croasdale suggested the appointment of a subcommittee to hire an outside firm. Mr. Howell stated he did not think that was necessary and he favored a fresh set of eyes to look at the options. Mr. Brumberger commented that a fresh set of eyes makes sense.

Dr. Santoro suggested that Robert Flanders be engaged.

Mr. Howell stated that he is a good choice, was a judge but left the judiciary because he felt he would be more effective somewhere else.

Mr. Palumbo states the procurement of legal counsel does not require the solicitation of competitive bids.

Upon a motion made by Mr. Howell and seconded by Mr. Brumberger, it was unanimously

VOTED: to retain Robert Flanders as outside counsel and to authorize the chairman to sign an engagement letter with such terms as the Chairman and RISLA's general counsel approve.

Executive Director's Report

Mr. Kelley pointed out that Ms. Walker procured an \$11,000 grant to purchase iPads for the Central Falls teachers to help support a financial literacy program for students.

Financial Update

There were no issues or questions.

Mr. Kelley stated that the College and Guidance Counselor Training was well attended and was done collaboratively with RIHEAA.

Mr. Simpson reviewed the proposals for Direct Loan servicing and presented an analysis to the Board of the all the bidders. He stated that some would completely engage an outside firm to perform all Direct Loan services while others would provide a servicing platform that RISLA would utilize to provide call center services for DL borrowers. Mr. Simpson recommended that ACS would be the first choice and or Aspire the second choice to provide DL services for RISLA. .

Action Item #9: Selection of DL Servicing Platform Finalists and Submit Application to Service DL Loans

Upon a motion made by Dr. Croasdale and seconded by Mr. Howell it was unanimously

VOTED: to accept the recommendation made by Mr. Simpson to engage ACS, subject to working out the terms of a contract.

Action Item #8: Selection of Vendor for Commercial Banking

Mr. Simpson stated the primary functions RISLA is looking at are for checks, web access, wires and lockbox. He said Webster Bank was the least expensive and had the highest earning credit allowance, which frees up capital. Webster has worked with the the RI State Treasurer's office and is highly regarded by staff at that office.

Upon a motion made by Dr. Croasdale and seconded by Mr. Howell it was unanimously

VOTED: to accept Webster Bank as the commercial bank for RISLA.

Upon a motion made by Dr. Croasdale and seconded by Mr. Brumberger it was unanimously

VOTED: to adjourn.

Adjournment was at 9:50.

Secretary